



Utility Allowance

December 12, 2013

Utility Allowance Initiative

- Effective April 1st, 2014, DHCD will provide utility allowances for tenant paid heat only.
- DHCD will use one UA table for heat. There will be no distinction for geographical areas, building types or fuel types.
- Utility allowances for any other tenant paid utilities, other than heat, will NOT be provided, except in cases of approved reasonable accommodations.
- DHCD will apply the lower of the unit size or voucher size to calculate the utility allowance.

MTW UA Policy: Intended Impacts

- Simplify and streamline processes related to application and calculation of UAs;
- Decrease administrative and rent calculation errors; and
- Reduce HAP expenditures



MTW Utility Allowance Policy Programs Affected



Which Programs are Affected by the MTW UA Policies?

- Generally, MTW UA policies will be applied to households with MTW vouchers.
- Households whose vouchers are administered by DHCD under portability **ARE** subject to the MTW UA policies.

MTW UA Policies Apply to:

- Designated Housing
- Enhanced Vouchers (awarded after 12/1/13)
- FSS Participants
- FUP
- Greater Plymouth Area Supportive Housing
- Housing Options program
- Little MTW (FES: Family Economic Stability)
- Port Ins
- Project Based (with new HAP Contract exceptions)
- Raising the Next Generation
- Tenant Based
- Section 221 Project
- Section 236 Project
- Section 515 Project for rural housing

MTW UA Policies Do NOT Apply To:

- Existing Enhanced Vouchers (awarded prior to 12/1/13) until they come up for regular reexamination.
- Mainstream 5
- Port Outs
- VASH

New Admissions

- New UA policies will be applied to New Admissions whose vouchers have been issued on or after 12/1/2013.
 - Use voucher issuance date and NOT lease effective date to determine whether new UA policies will be applied.

Project-Based Contracts

- New UA policies will be applied to Project Based contracts awarded 12/1/2013 and after.

RADs

- Units that have been converted under RAD (Rental Assistance Demonstration) may be either PB units or Enhanced Vouchers (EV).
- UA policies must be applied according to the applicable program rules.

Utility Allowance Initiative Policies



Utility Allowances

Current Policy	New Policy
<p>DHCD will provide utility allowances for the following tenant paid utilities:</p> <ul style="list-style-type: none">• Heat• Electricity• Hot Water Heating• Cooking• Water• Sewer• Trash Collection• Stove• Refrigerator• Gas Charge	<p>DHCD will provide utility allowances for the following tenant paid utilities:</p> <ul style="list-style-type: none">• Heat• DHCD will use the Department of Energy's (DOE) residential energy consumption (REC) survey data to determine the UA for households with approved reasonable accommodations.

New UA Schedule

	Smaller of Unit Size or Voucher Size							
	0 BR	1 BR	2 BR	3BR	4 BR	5 BR	6 BR	7 BR
Heat UA	\$50	\$82	\$113	\$141	\$168	\$213	\$258	\$303

- The utility allowance that is applied is the smaller of the unit size or voucher size.

Calculating the UA

Current Policy	New Policy
<ul style="list-style-type: none">• DHCD will use the unit size to calculate the utility allowance	<ul style="list-style-type: none">• DHCD will use the smaller of the unit size or voucher size to calculate the utility allowance.
<ul style="list-style-type: none">• For PB households, the PHA will apply the utility allowance for the unit size.	<ul style="list-style-type: none">• No Change

Reasonable Accommodation

Current Policy	New Policy
<ul style="list-style-type: none">The family must request the higher allowance and provide the PHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required	<ul style="list-style-type: none">The PHA may approve an additional utility allowance if an additional utility allowance is needed as a reasonable accommodation for a family member with a disability.The family must request an additional allowance and provide the PHA with an explanation of the need for the reasonable accommodation.The PHA will use the Department of Energy's (DOE) residential energy consumption (REC) survey data to determine the additional allowance for approved reasonable accommodations.

Impact on Families



Impacts of MTW UA Policy

- Percentage of households with:
 - No change in tenant rent to owner = **26%**
 - Decrease in tenant rent to owner = **4%**
 - Increase in tenant rent to owner, less than \$100 = **61%**
 - Increase in tenant rent to owner, greater than \$100 = **9%**
- Average increase in tenant rent to owner, all households = **\$60**

Hardship Effective Date

- Families who have an increase in family share of rent to owner of \$100 or more will receive an additional 90 days before the MTW UA policy takes effect.
- The effective date for application of the MTW UA policies for these households will be **July 1st, 2014**.



Project-Based Effective Date

- Generally, households living in PB developments will be subject to the April 1, 2014 or July 1, 2014 effective date.
- Affected families will be notified 60 days in advance of the rent change.
- Families whose rent share will go up \$100 or more as a result of the new UA policies will receive an additional 90 days prior to implementation of the new UA policy, and will receive 90 days notice of the rent change.

Reasonable Accommodation



Reasonable Accommodation

- RAAs may approve an additional utility allowance if an additional utility allowance is needed as a reasonable accommodation for a family member with a disability.
- For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed.

Reasonable Accommodation

- The family must request an additional allowance and provide the RAA with an explanation of the need for the reasonable accommodation.
- DHCD will use the Department of Energy's (DOE) residential energy consumption (REC) survey data to determine the additional allowance.
- DHCD will develop a UA schedule based on the DOE's REC data and will provide the schedule to RAAs upon completion.

Reasonable Accommodation Request

- In order to request a reasonable accommodation for an additional UA, the family must be responsible for the utility payment for which it is requesting the accommodation.
- For example, the family may request an additional UA for electricity only if the household is responsible for the payment of electricity.



Reasonable Accommodation Verification & Approval

- Approval of the need for an additional utility allowance must be verified by an individual identified by the family who is competent to make this determination such as a doctor, medical professional and/or non-medical service agency.

